

## **ABSTRACT**

The coconut shell charcoal agroindustry is an activity that processes coconut products into products that have higher added value. The presence of this agroindustry can provide economic benefits for the community, especially in increasing income, creating jobs, and reducing coconut shell waste that has not been utilized optimally. This research aims to formulate the right strategy in business development in the coconut shell charcoal agroindustry in Air Putih District, Batu Bara Regency. The methods used are qualitative descriptive methods, SWOT analysis, and Quantitative Strategic Planning Matrix QSPM analysis. The results of this study show that the SWOT matrix analysis shows that the right alternative strategy to be implemented is the SO (Strengths–Opportunities) strategy, which is utilizing the availability of raw materials and product quality to increase production capacity, optimize relatively simple production processes and low production costs, develop value-added processed products, such as charcoal briquettes and activated charcoal, and utilize government support through training, mentoring, and coaching to improve workforce skills and the quality of business management so that agro-industry productivity can continue to increase. The results of QSPM's analysis determined that increasing the production capacity of coconut shell charcoal by utilizing the abundant availability of raw materials and good product quality to meet the increasing market demand and expand the export market sustainably is a strategic priority with a total TAS value of 6.61. The second priority is to develop value-added processed products such as charcoal briquettes and activated charcoal (TAS) by 5.68, followed by a strategy to optimize simple and low-cost production processes to increase business efficiency (TAS) by 5.20.

**Keywords:** Coconut Shell Charcoal, Development Strategy, QSPM, SWOT.